

Approved

**SALEM BOARD OF FINANCE
REGULAR MEETING MINUTES
November 18, 2010**

PRESENT

T J Butcher
Carole Eckart
Janet Griggs
George Householder
Greg Preston
R. Traylor (Alt)
Bill Weinschenker

ABSENT

(2) Vacancy (Alt)

B. Weinschenker called the meeting to order at 7:32 pm.

Recognition of Visitors: None

Communications:

- Bill Weinschenker attended the workshop entitled “Connecticut’s State and Local Government’s Financial Crisis” held on October 26th. He enjoyed the presentation and found it very interesting. His summary of the seminar is that things look bleak. The BOF asked Marcia Marien for an electrical copy of the seminar.

Additions to Agenda

- C. Eckart would like to add the Vision Statement survey to agenda.
Vision Statement Survey #9

1. Marien & Company Presentation-2009/2010 Audit

M. Marien from Marien & Co. presented the draft audit to the Board of Finance (see file copy).

She stated there are two balance sheets, a long term with net assets and a short term for the general fund.

New FDIC Limits

M. Marien informed the BOF that the municipal money in Chelsea Bank is not 100% insured as previous thought. The Ct Statue requirement is 10%.

She informed the BOF about the TAG program that is in affect thru 12/31/2010 with a possible extension to 12/31/2011. The TAG program states that money held in a non-interest bearing account is insured 100%.

The Undesignated Fund Balance should be 5-10% minimum. The BOF should decide what amount they want it. The Fund Balance will vary, depending on how the BOF handles Town Aid to Roads and also the Capital Reserve account. If both these line items are added to the budget, the Fund Balance will increase.

Budget vs Actual – Taxes

The amount of taxes collected was favorable. The town collected \$163,920 more than budgeted last year. Salem's tax collection rating by town for the 2008 year was #115 out of #169.

Budget vs Actual – Grants

The money received for Transportation was \$31,743 less than budgeted. Other areas where we received less money were Mashantucket Pequot Grant \$7068, Telephone Access \$8313, Tax Relief for the Elderly \$2959, Services for the Blind \$5000 and Welfare Recovery \$1000. Revenue for the use of Town Money was also less. The four areas that the town received more money were Building Permits, Landfill Fees, Plumbing and Pistol Permits. Charges for current Services was also on the downward slope. The four areas where more money was received than budgeted were Recording fees, P&Z Commission fees, Library Fees and Recreation Fee Based Programs.

Bond Ratings by Town 10/2008

M. Marien informed the BOF that the Bond rating for the town was at A3. This is a good rating for a small town.

Basic Five Year Budget.

M. Marien gave a presentation on what will happen to the town when the state reduces the amount of money given to the towns. The chart addressed increases of 2%, through 8%. She suggested keeping the mil rate as stable as possible with no big swings.

G. Householder asked Marien and Co. what grade they would give Salem. The response was a B+.

First Selectman Lyden asked M. Marien to clarify transferring money in the budget from one line item to another and also about additional appropriations from Undesignated Funds. M. Marien recommended transferring money from one department to another where needed. She would like to see towns stay within their budgets rather than take additional money from Undesignated Funds.

1. Approval of Minutes:

M/S/C (Eckart/Preston) to approve the minutes of the October 14, 2010 Regular Meeting of the Salem Board of Finance amended as follows:

- Page 3 – add the word Gadbois- Gadbois property close...

Vote: Approved. In favor- T J Butcher, Eckart, Householder, Preston Weinschenker.

For Denial None

Abstaining- Griggs

2. Treasurers Report

M. Ferren presented her reports (see file copy.)

- Tax collections are up from 53.9% in 09/10 to 54.8% for 10/11.
- Audit adjustments for the 09/10 budget year have been received. These adjustments will be reflected on the next Treasure report.
- The Fund Balance on June 30, 2010 is 10.44%, if you include the Capital Reserve money the balance is 11.5%

and if you also add the Town Aid Road money the Fund Balance increases to 12.3%.

- First Selectman Lyden will check with Citizen Bank for their policy on insuring money in their bank.
- The Treasure will propose special funds to present to the BOF next month for their approval.
- G. Householder asked about the 2010/2011 Salary Department #105. K. Lyden is aware that the Recording Secretary (P&Z Transcripts) percentage amount. Chairman Weinschenker said this issue will be addressed under #5 on the agenda.

3. Public Comment: None

4. Selectman's Report

- An application has been made for a Historic Grant for the Salem Towne House, which requires a 50% match. The requested grant amount will be for \$50,000. The town, in it's 2010/2011 Capital Budget, allocated approximately \$35,000 for repairs to the Towne House, which can be used for the necessary match. The other \$15,000 can be transferred to this line from the Municipal Insurance Department since K. Lyden received a lower proposal on insurance.
- The Pavilion Committee has been established. The committee members are J. Fogarty (Chairman), B. Martin, B. Appleby and J. Lindo
- School Building Committee-The Committee met with the BOS to inform them of their new proposal. The committee would like to go to Town Meeting/Referendum in January. The BOF had questions about the financing for this project. The BOF requested that the Building Committee attend the next BOF meeting with details.

5. Legal Transcription (See handouts)

First Selectman Lyden informed the BOF that Mary Ann Chinnatti was requested to transcribe the P&Z meeting minutes for the Kobyluck appeal.. The amount of hours approved by the P&Z Commission was 90 hours. The transcription took longer than originally projected. The funding for this expense was to be transferred from P&Z line #630-45-456 to the following salary and benefit lines:

M/S/C (Butcher/Eckart) to transfer \$5692.14 from P&Z Legal line 630-45-456 to the following accounts as described in handout: Recording Secretary line 105-25-610-\$3526.66, Town Planner 105-20-630 – 1513.76, Fica 138-020-0202 – 323.94, Medicare 138-020-204 - \$75.76 and Pension 138-20-207 - \$252.02.

Vote: Approved Unanimously

6. Address BOF Alternate

TJ Butcher stated that he spoke with John Dolan about serving on the BOF as an Alternate. He will let the BOF know if anything comes of this.

7. BOF Meeting Schedule (Scheduled Attached)

M/S/C (Householder/Preston) to approve the Salem Board of Finance 2011 Schedule of Meetings as presented.

Vote: Approved Unanimous

8. 2011/2012 Budget – Discussion on the Upcoming Budget
This item was tabled until the next BOF meeting.

9. Vision Statement

C. Eckart passed out information from the Vision Committee for the Town of Salem in the next 10 years. The committee would like the BOF feedback on this statement for the next

meeting. J. Griggs stated that the statement is based on the survey and the survey is on the website.

M/S/C (Householder/Griggs) to adjourn at 10 PM.

Vote: Approved Unanimous.

Virginia Casey,
Recording Secretary